

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP
NOVEMBER 3, 2010**

DIRECTORS PRESENT

Jim Haselton, Committee Chair
Mike Safranski, Committee Member

STAFF PRESENT

Don Chadd, General Manager
Teresa Teichman, District Secretary
Hector Ruiz, District Engineer
Karen Warner, Accounting Technician
Michael Perea, Special Projects Manager

PUBLIC PRESENT

No members of the public were present.

CALL MEETING TO ORDER

Committee Chair Haselton called the November 3, 2010 Finance/Audit Committee Meeting to order at 7:01 a.m.

VISITOR PARTICIPATION

Public comments were announced. No comments were received.

ORAL COMMUNICATION

Oral communication was announced. No comments were received.

COMMITTEE MEMBER COMMENTS

There were no committee member comments.

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REPORT FROM THE GENERAL MANAGER

There was no report from the General Manager.

FINANCIAL MATTERS

ITEM NO. 1) FINANCE/AUDIT COMMITTEE MEETING RECAP

The October 6, 2010 Finance/Audit Committee Meeting Recap was presented to the Committee. No changes were made.

Recommendation: *The Committee recommended that the October 6, 2010 Finance/Audit Committee Meeting Recap be received and filed by the Board. (Consent Calendar).*

**ITEM NO. 2) RATIFICATION OF DIRECTORS' FEES AND EXPENSES
AND FUTURE MEETINGS**

The Committee reviewed this matter.

Recommendation: *The Committee recommended that the Board ratify the Directors' expenses for October 2010 and fees for September 2010. (Consent Calendar.)*

**ITEM NO. 3) STATUS UPDATE RELATING TO WATER MONITORING
AND WATER CONSERVATION EFFORTS**

Mr. Michael Perea, Special Projects Manager, advised the committee he recently participated in a joint meeting with the cities of Rancho Santa Margarita and Mission Viejo, along with the Santa Margarita Water District, in a collaborative effort to address the new NPDES requirements from the San Diego Regional Quality Control Board.

Mr. Perea presented information at the meeting as it relates to TCWD's conservation efforts and procedures.

Recommendation: *The Committee received and filed the status update. No action necessary.*

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ITEM NO. 4) OTHER MATTERS

Mr. Don Chadd, General Manager, advised he received a phone call from the Larkgrove resident in response to the letter they received relating to the water theft fine. The resident is requesting an itemization of the charges. Mr. Chadd asked that this request come to the district in writing.

Mr. Chadd advised the committee the Notice of Public Hearing for the proposed rate adjustment, effective January 1, 2011, was mailed out on October 28, 2010 and TCWD received the control copies on Monday, November 1, 2010 via U.S. mail delivery.

Mr. Chadd advised the committee the date of December 4, 2010 may be too soon to hold an Open House at the wells due to the delayed completion of the project. Mr. Chadd recommended waiting until the beginning of 2011, Mr. Hector Ruiz, District Engineer, agreed.

Recommendation: *The Committee received the information provided. No action taken.*

**ITEM NO. 5A) PRESENTATION OF AUGUST, 2010 UNAUDITED
FINANCIAL STATEMENT**

Mr. Chadd reviewed the September 30, 2010 preliminary unaudited financial statement. Information was reviewed including total assets, liabilities and retained earnings, WRES balance demonstrating a dedicated revenue source, and investment schedule.

Mr. Chadd also reviewed a new line item added to the report in order to demonstrate drawing from reserves which shows as a liability from restricted funds which represent the payments made to the wells project.

Recommendation: *The Committee recommended that the Board receive and file the September 30, 2010 preliminary unaudited financial statement, as presented. (Consent Calendar).*

ITEM NO. 5B) BILLS FOR CONSIDERATION

The bills for consideration were presented.

Recommendation: *The Committee recommended that the Board ratify payment of October 19, 2010 bills for consideration in the amount of \$251,377.22 and the November 3, 2010 bills for consideration in the amount of \$515,362.77 and the October 2010 payroll in the amount of \$158,462.55, as presented. (Consent Calendar).*

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ADJOURNMENT

Committee Chair Haselton adjourned the November 3, 2010 Finance/Audit Committee Meeting at 7:25 a.m.